

**MINUTES
OF THE REGULAR MEETING OF THE
EDINA PARK BOARD
HELD AT CITY HALL
February 11, 2014
7:00 PM**

I. CALL TO ORDER

Chair Steel called the meeting to order at 7:04 p.m.

II. ROLL CALL

Answering roll call were Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Student Members present: Good, Johnson.

Also present: City Manager Scott Neal.

III. APPROVAL OF MEETING AGENDA

Chair Steel made a motion, seconded by Member Deeds, to amend the rules of the public hearing to limit speakers' testimony to two minutes per speaker in order to allow more residents to speak.

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

Member Gieseke made a motion, seconded by Member Deeds, to approve the meeting agenda.

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

IV. ADOPTION OF CONSENT AGENDA

Member Deeds made a motion, seconded by Member Segreto, to approve the consent agenda as follows:

IV.A. Approval of Minutes – Regular Park Board Meeting of January 14, 2014

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

V. PUBLIC HEARINGS

V.A. Golf Course Operations Study

Mr. Neal noted this presentation regarding the city's golf enterprise was first given to about 300 members of the public at Braemar Golf Course on January 30, 2014. He presented data showing a significant decrease in rounds of golf sold since 1998, which has increased costs to the taxpayers. He looked at the past subsidies of the golf fund as well as the proposed \$485,000 subsidy going forward. He noted the city's three objectives going forward are financial stability and self-sufficiency, increased customer service levels, and improved facilities for better play and experience. He noted a significant issue is how to pay for improvements at the golf courses.

Mr. Neal presented a six-step strategy, beginning with narrowing the scope of golf operations, specifically closing Fred Richards as a golf course at the conclusion of the 2014 season.

Ms. Kattreh noted the second step is to make improvements at Braemar, including improvements at the driving range, the teaching range, the drive into the golf course, and the Grill and clubhouse. She

discussed the importance of creating a master plan for Braemar, in order to accommodate youth, women, seniors, and players of all abilities.

Mr. Neal indicated the third step is to modify prices and provide discounts.

Ms. Kattreh noted that part of the plan is to outsource ancillary services, specifically the Grill. A better product and more inviting environment are possible.

Mr. Neal noted another step is to expand marketing at Braemar.

Ms. Kattreh stated the sixth step is to improve customer service at Braemar. The plan is to hire a customer service consultant to help train, hire, evaluate, and coach.

Mr. Neal then presented pro-formas for golf rounds in the future and discussed the repurposing of the Fred Richards site, which would remain as a public area with low-intensity use going forward.

Member Deeds stated it is important to have conservative projections for golf rounds sold, for example, if only 90,000 rounds are sold rather than the 100,000 projected rounds. Ms. Kattreh responded the improved customer service and marketing levels should make 100,000 rounds sold feasible.

Member Segreto asked about the opinion of the Braemar Golf Course manager.

Todd Anderson, Braemar Golf Course Manager, concurred the golf industry is difficult right now, and he is in agreement with the six-part plan.

Member Jones asked about the staging of the repairs and improvements. Mr. Neal explained that the staging of the improvements is also impacted by the possibility of obtaining credit to make the improvements. However, the credit rating agencies always have significant questions about the operations of the two golf courses and the revenue losses. Regarding staging, the new driving range should be commenced at the tail end of the golf season.

Member Jones asked about preservation of the wildlife and green space at the Fred Richards course and the possibility of land being sold to a developer. Mr. Neal responded the Council has not given any indication that they are interested in selling park property. Fred Richards was acquired in 1992 for \$800,000; staff has no recommendation for anything other than future park use. Ms. Kattreh concurred, noting that process for determining how to use the site would involve a citizen advisory committee as well as the Park Board.

Member Jones asked about putting certain holes at Braemar on hold. Ms. Kattreh noted that as part of the master plan, every hole will be considered.

Chair Steel opened the public hearing at 7:40 p.m.

Gene Nord, 6425 Nordic Circle, Vice President of the Braemar Men's Club, read aloud the letter from Rick Ites, the President of the Braemar Men's Club and the Braemar Golf Association. He noted many improvements are needed at the Golf Course.

Leslie Sharp, 6501 Cherokee Trail, expressed support for plan and for the improvements of Braemar Golf Course, particularly for cart paths.

Andrea Keller, 4010 Monterey Ave., a PGA teaching professional, spoke against the proposal for closing Fred Richards. She stated it is an ideal course for juniors, and specifically young girls, to learn the game.

Derek Johnson, 7421 West Shore Drive, noted the Fred Richards course was profitable was 2013. He stated the course at Braemar is not as suitable for beginning golfers. This plan closes a revenue-generating facility and converts it to a non-revenue-generating piece of land.

Scott Nelson, 6428 Vernon Ave., stated Fred Richards is a great place, but it is time to let go of the course. He noted Braemar was one of the top courses in the state, and it should be returned to that status.

Katie Bourget, 6203 South Knoll, asked for more time for research to develop programs at Fred Richards, as it is a great course to develop beginners, specifically young girls.

Richard Johnston, 4505 Wooddale Ave, stated Fred Richards offers a unique golf experience, and it should be retained for future generations. He also agreed with the improvements at Braemar. He suggested working on making Fred Richards more profitable.

Marie Leggett, 6 Spur Road, stated she has been playing on Fred Richards for the past three years.

Anita Leggett, 6 Spur Road, encouraged the Park Board to encourage other options to raise resources rather than closing Fred Richards. She read aloud an email from PGA in support of golf and noted there may be untapped potential with coming of the 2016 Ryder Cup.

John Marshall, 6404 Stauder Circle, spoke against the current proposal to close Fred Richards. He is concerned about a lack of plan to keep the game of golf growing.

Tim Nasby, 7408 West Shore Drive, commented on the two consultant reports completed on golf operations. He noted the NGF report stated that while Fred Richards Golf Course may not be consistently profitable for the City of Edina, it's a place as a feeder facility to develop new players and will benefit all other golf courses in the system.

Dan DeYoung, Scottsdale, Arizona, stated the golf industry will continue to decline. Making Fred Richards into a park does not make the city money. He played a lot of golf at Fred Richards as a young player.

Scott Dorgan, 4504 Gilford Drive, stated Fred Richards is cash-flow positive and should remain in operation for kids and grandparents learning the game. He urged Park Board members to spend an afternoon at Fred Richards this summer. The kids should be placed in highest value in this decision.

Lorenzo Tunesi, 4413 Ellsworth Drive, expressed support for the six-step proposal presented.

Anna Heirigs, 4529 Gilford Drive, stated she has learned to play golf at Fred Richards over the last two years.

Barton Hallin, 4424 Gilford Drive, stated his children have learned to play golf at Fred Richards, and it is a great place to have three generations golfing all at once. He also questioned the timing of creating a citizen advisory team after, rather than before, Fred Richards is closed.

Tom Terwilliger, 7421 Kellogg Ave, referred to the 2011 NGF consultant report that cited Fred Richards as an invaluable feeder facility for the Edina golf system.

Dan Goodenough, 5604 Valley Lane, cited the city should be investing several million dollars in both golf courses to bring them up to par.

RJ Smiley, 6205 St. Johns Ave., observed Edina cannot support 45 holes of golf. There is a tremendous demand for an executive golf course in Edina. He recommended closing Fred Richards and immediately begin a master redevelopment plan for Braemar that would include 18 holes of quality golf and also create an executive 9-hole course.

Dan Olson, Minneapolis, indicated the league he participates in a Tuesday league at Fred Richards with all levels of golf ability, which would not be possible at Braemar.

Robert Peterson, 5620 Doron Drive, spoke in support of the major reinvestment at Braemar. In 1984, it was the number one golf course in the State of Minnesota, but the golf course has been allowed to decline.

Ms. McGrath, 4619 Moorland Ave., stated she plays in the girls' league on Sundays at Fred Richards, and it is important to keep the course open.

Megan Keller, 4010 Monterey Ave., asked that Fred Richards be kept open.

Andrea Keller, 4010 Monterey Ave., asked for the Park Board to explore the many other opportunities for funding. She noted Braemar will never be a small, unintimidating course. If the city closes Fred Richards, many golfers will be lost.

Wayne VanderVort, 4525 Gilford Drive, stated he plays golf with many of his grandchildren at Fred Richards. He requested that the Park Board create a citizen committee to look at the financials with staff. He has spoken to three golf groups from Fred Richards who indicate they will not transfer to Braemar. He also noted the PGA is on a crusade of creating courses with only 9 holes.

Dan DeYoung, Scottsdale, AZ, suggested the Park Board explore other options to see what keeps the course busy during the week and on the weekend.

Elizabeth and Katie Dickey, 5021 Yvonne Terrace, indicated both have played Fred Richards with their father, and they expressed support for keeping it open.

Tom Gastler, 4417 Gilford Drive, expressed support for Fred Richards. He does not believe public engagement has sufficiently been sought in this process.

Paul Rosenthal, 4721 Hibiscus Ave., expressed support for Fred Richards, calling it a jewel of the community. He expressed concern about the condensed timeline not allowing for sufficient public input.

John Velgersdyk, 4516 Sedum Lane, stated he is encouraged by the improvements at Braemar. He opposes the closing of Fred Richards and believes the 2011 and 2013 studies show the course is profitable.

Ella Marshall, 6404 Stauder Circle, and Emily Bourget, 6203 South Knoll Drive, indicated they both love playing with family and friends on the Fred Richards course.

Kevin Holm, 4501 Belvidere Lane, expressed support for the improvements to Braemar as well as closing Fred Richards.

Barton Halling, 4424 Gilford Drive, expressed support for Fred Richards. He mentioned the development on Pentagon Park near Fred Richards, and the developer has said it could work with either a golf course or something else. He noted more people are using executive courses, so there seems to be a new set of players for Fred Richards, right next to the course. He suggested tabling the decision on Fred Richards at the end of 2014, whereupon two or three proposals should be put forward, one of which should be retaining Fred Richards.

George Griffiths, 4444 Dunham Drive, stated the Braemar 9-hole course is the most consistently used course of the four courses in Edina. Additionally, there are nine distinct cost centers in the Braemar Golf operations (Braemar 18, Braemar 9, Braemar Executive, Fred Richards, Golf Dome, Driving Range, Pro Shop, Club House and other social functions) that could be established in the golf enterprise in order to embark on a study to find out exactly what is making money and what is losing money.

Derek Johnson, 7421 West Shore Drive, thanked the Park Board for the chance to speak tonight and asked that the Park Board take additional time to consider options other than closing Fred Richards.

Chair Steel closed the public hearing ended at 8:44 p.m.

Member Deeds asked Mr. Neal to discuss the financials to clear up the questions raised by the public. Mr. Neal asked Mr. Roggeman to speak, as he prepared the pro-formas.

Eric Roggeman, Assistant Director of Finance, stated there are two business units that account for business activities at Fred Richards, one for maintenance and the other for activities. At first glance, it looks like a positive cash flow of \$50,000. What is not accounted for is about \$250,000 in debt and historic interest payments. Also not included are several items that run through the Braemar cost center, such as a load of fertilizer or maintenance equipment, which would be another \$50,000. He believes the cash flow has historically been negative by at least \$250,000. The question is whether Fred Richards can cash flow going forward, especially as improvements are needed in the future.

Member Deeds asked about the bond rating agencies' concerns regarding golf operations. Mr. Neal responded the City of Edina has a AAA rating. One of the underpinnings of the credit rating is management. One of the measures of that management is how many municipal operations run in an enterprise setting. When the analysts see that there is deterioration in a major enterprise like the golf course, they become concerned about it and ask about future planning. The city's answers to those questions could potentially impact the city's bond rating. The city would like to have a solid plan in place for those creditors.

Member Deeds noted one option to fund improvements is the use of revenue bonds. He asked about the possibility of using revenue bonds for Braemar improvements. Mr. Neal responded a major borrowing has not occurred in the golf operation. Staff would like to point at the golf operation revenue and use that as leverage for future debt. General obligation bonds will probably have to be issued to do improvements. If the city can pay it with golf revenues, great. Otherwise, it becomes a tax burden.

Member Segreto noted there are significant capital improvements coming up if Fred Richards remains open. The city cannot maintain both courses.

Chair Steel asked about accommodating youth at Braemar with the improvements.

Ms. Kattreh stated staff does not underestimate the value of Fred Richards to youth golfers in Edina. The master plan at Braemar would invest significantly in women, youth, and seniors.

Member Cella asked if there is a way to preserve a low-stress environment at Braemar, similar to the one residents are in support of at Fred Richards.

Ms. Kattreh responded it would be possible. The master planning process would determine the best allocation for those 36 holes of golf.

Chair Steel summarized that a working group would be formed, and it would come before the Park Board to be sure the residents are being served.

Member Jones questioned the timeline of the decision-making process. She asked about an improved communications process with neighbors.

Mr. Neal communicated the input is being gathered, and if there is some interest in meeting with representatives of the Fred Richards group, that can happen.

Chair Steel indicated she is adamant there has to be a clear public process going forward, and a timeline to allow for the facilitation of ideas. However, she does not think that time would change the financials before the Park Board tonight.

Member Gieseke concurred, noting something needs to change, but he would also like more public discussion about the future of Fred Richards.

Member Deeds stated he likes Fred Richards, but the city has more holes of golf than the city can support. Fred Richards is the least utilized asset of the park system. This is a hard decision before the city. He applauded the staff's work on the pro formas. Given the future investment needed in Fred Richards, a convincing case is made that there are too many holes of golf. He suggested every effort be made to create the same atmosphere Braemar for the kids, but Braemar must be invested in.

Member Cella concurred with Member Deeds' comments. She would like to have specific programming language that Braemar must create the stress-free opportunities for youth and those new to golf.

Member Jacobson wondered whether Fred Richards could be changed into something that is more like a park and not a business.

Student Member Johnson suggested the Braemar improvements be separated from the issue of closing Fred Richards.

Member Segreto made a motion, seconded by Member Deeds, that the Park Board recommendation to the City Council that the golf operations proposals, including the recommended closing of Fred Richards Golf Course, be supported.

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

V.B. Seasonal Off-Leash Dog Area at Strachauer Park

Susan Faus, Assistant Parks & Recreation Director, asked to make the off-leash dog area at Strachauer Park a permanent amenity. After the first year, no complaints were received regarding barking or increased traffic at the park. Staff feels using hockey rinks year-round makes sense and it also provides an off-leash area in this area of Edina.

Chair Steel opened the public hearing at 9:15 p.m.

No one spoke.

Chair Steel closed the public hearing at 9:15 p.m.

Member Deeds made a motion, seconded by Member Gieseke, to make the off-leash area at Strachauer Park a permanent amenity.

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

VI. COMMUNITY COMMENT

Kim Montgomery, 5300 Evanswood Lane, stated after four years of process, the city has not developed a process for maintaining the former Public Works 3.3-acre site. She asked the Park Board to recommend to the City Council to preserve the Grandview land for public use and to prioritize a new Community Center.

VII. REPORTS/RECOMMENDATIONS

VII.A. Pamela Park Shelter Building Working Group

Ms. Kattreh asked for Park Board approval for the creation of the working group and also for Park Board member participation on the working group.

Member Segreto volunteered to join the working group.

Member Deeds made a motion, seconded by Member Gieseke, to approve the working group.

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

VIII. CORRESPONDENCE AND PETITIONS

VIII.A. Council Updates

No discussion.

VIII.B. Other Correspondence

No discussion.

VIII.C. Veterans Memorial Committee, December 20, 2013 Minutes

No discussion.

IX. CHAIR AND BOARD MEMBER COMMENTS

None.

X. STAFF COMMENTS

Ms. Kattreh made the following comments: there will be a Park Board work group with the Council on February 18; so far, 49 of the 55 plots of the community garden are rented; staff has been talking with the Minnesota Wild about using Braemar Ice Arena as a permanent practice facility, and hopes to have a proposal before the Park Board at the March meeting.

XI. ADJOURNMENT

Chair Steel made a motion, seconded by Member Deeds, to adjourn the meeting at 9:25 p.m.

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion Carried.

The meeting adjourned at 9:25 p.m.